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FOR POLITICAL AND ECONOMIC REALISM

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This "American" Business

by C. H. DOUGLAS.

Originally published in The Social Crediter, August 17, 1940, this was the first of a series of contributions to the understanding of world politics written by Major Douglas during the war years, 1939-45. It is not now so readily available as those that followed: The Big Idea (1942), The 'Land for the (Chosen) People' Racket (1943), The Programme for the Third World War (1943) and, The Brief for the Prosecution (1945). For this reason it is re-published here and will be issued in pamphlet form.

JOHN KENNETH HYATT,

Counsellor at Law,
30, Rockefeller Plaza,
New York.

16th July, 1940.

Major C. H. Douglas,
The Social Crediter,
12, Lord Street, Liverpool.[*]

My dear Major Douglas,

I have been receiving for some months *The Social Crediter* through the courtesy no doubt of some kind friend. In these times it is of importance as well as interest to read the views of those in other parts of the world. However there is so much that is constructive and worth while that one can not permit oneself indefinitely to waste time on that which is not. Therefore I ask that you discontinue sending me your publication.

It indeed seems deeply regrettable at a time when English speaking people in all parts of the world should be united in thought at least in the common cause that you and your associates should be fostering feelings of antagonism by your unwarranted defamations of the United States which you have the poor taste to mail to us in this country. Your reference in the June 29th issue to the German-Jew-American Crooks is disgusting and your remark that in three months (of the last war) Germany was decisively defeated is stupid. If it were true, what depths of degradation and impotence these two great nations have sunk to in twenty-five years!

Very truly yours,

John Kenneth Hyatt.

The letter which is reproduced above seems to me to afford an opportunity to deal faithfully with a matter which I believe to be perhaps more important than any other at the moment. As it was not marked "Private" and, in spite of the form of address, I am not aware of having met Mr. John Kenneth Hyatt, I feel sure he will not object to the publicity thus given to it. I hope that his, to me,

[*] Readers everywhere should note that these premises were destroyed by enemy action. The address of the Social Credit Publications, Ltd., 11, Garfield Street, Belfast. The Headquarters are at 36, Melbourne Avenue, Deakin, Canberra, A.C.T., Australia.

unknown benefactor will continue to send him this journal until he has had an opportunity to consider what I am about to say.

In the first place, I quite understand that Mr. Hyatt is annoyed. Regarding him as a typical decent American (of whom I know, and like, hundreds) I should expect him to be annoyed. Obviously I intended him to be annoyed.

Because the point I am endeavouring to make to him, not, it would seem, without success, is that, writing as I am doing at this moment within sound of falling bombs, and only a few miles from where the flower of Europe, and in my opinion, of the World, is engaged in mutual extermination, it does not really interest me that "English speaking people in all parts of the world should be united in thought at least in the common cause." I don't think the common cause (by which I mean his, and mine, not that of the U.S. or other Government) is going to be furthered by that kind of thought.

Because I think that certain powerful influences in the United States with confederates in Europe, and particularly in Germany, but not excluding England, are directly responsible for this war, I am equally convinced that it is the business of Mr. Hyatt and those Americans like him to realise that, while as individuals they would repudiate that accusation, they are responsible for the policy of their Government, and must be judged by it, even if it is inspired from non-representative sources. And my practical objective is to see, to the extent of any small influence I might have, that either the Mr. Hyatts of America shoulder the responsibility for their Government's policy, and modify it, or that as many people as possible in Great Britain and the British Empire should know exactly where that unmodified policy will lead them.

Although it is not the beginning, it is quite convenient to start from Mr. Hyatt's statement that "your remark that in three months (of the last war) Germany was decisively defeated is stupid." Passing over the fact that this is the opinion of all competent military critics, of whom, of course, I cannot claim to be one, I do not think Mr. Hyatt understands what was meant by the statement. Perhaps I may explain it to him.

All German strategy for dealing with a War on two fronts was based on the "Theory of Interior Lines," that,

(Continued on page 3.)

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From Week to Week

"Put in another way there is enough wheat in store in Canada and the United States to supply domestic requirements and normal exports for two years without sowing any wheat at all for harvesting next year. Such has been the combined effect of the bounty of nature and price support policies. . . .

"Millions of peasants now producing little more than a bare subsistence could, if fully employed on public works, create a demand for more and better food, particularly wheat. This idea has attractive possibilities, and will need to be examined on its merits as a method of technical aid, rather than as a way of solving the wheat problem."

—E. M. H. Lloyd, in *The Daily Telegraph*. (London)
October 27, 1955.

Mr. Lloyd appears not to observe that the wheat farmers do not get the public works, they only get "full employment" growing wheat. This amounts to the same thing as the "national solution" which Mr. Lloyd rejects as impracticable—"a world authority with power to over-ride sectional and national interests." What does he think the Money Power does, anyway?

"The two methods used in the search and discovery of truth:

"(a) To fly from the senses and particulars to the most generalised axioms, the truth of which is taken as settled and immovable then to continue in the same fashion to discover immediate axioms.

"(b) To devise axioms from particulars with the aid of the senses, continuing gradually in an unbroken line, so that the most general of the axioms are arrived at last of all."

—Francis Bacon, *Novum Organum*.

"There is a vast difference between the dogmas and notions of the mind as against the natural marks and realities of nature."—*Ibid*.

". . . But the elder of the Greek philosophers . . . did not, so far as we know, open schools; but more silently and severely and simply—that is with less affectation and parade—betook themselves to the inquisition of truth. And therefore they were in my judgment more successful; . . . time, like a river, bringing down to us things which are light and puffed up, but letting weighty matters sink."—*Ibid*.

Metaphysics

In his essay "An Introduction to Social Credit" which, after appearing serially in *The Australian Social Crediter* and *The Social Crediter* in 1947, was published in book form, Dr. Bryan W. Monahan devoted the last of the four parts to *Metaphysics*. We re-publish this in two sections, the first of which appeared last issue:

(2)

The philosophy of which Social Credit is the policy is indicated in the statement "Social Credit is practical Christianity."

We can usefully distinguish in this context two aspects of Christianity. There is the aspect which gives rise to Christian theology; and the aspect which embodies certain ethical and metaphysical values. It is with the latter that Social Credit is specially concerned.

Civilisation might be defined as the incarnation of ethical and metaphysical values in the institutions of society. Now, C. S. Lewis, in his *Abolition of Man*, has pointed out that the values embodied in the great religions are not several, but one coherent system. He uses the Chinese word 'Tao' to denote this system. Aldous Huxley (*The Perennial Philosophy*) and Lin Yutang (*The Wisdom of China and India*) have compiled anthologies from the scriptures of different religious systems which demonstrate this truth very clearly.

Social Credit is the practical endeavour to transform the institutions of society in such a way that the transcendental values of the Tao may find incarnation in them.

A further generalisation of the lessons of the scriptures of the great religions is that such an incarnation is dependent on the individual, and is manifested through individual initiative. The very purpose of Social Credit as a system is to free individual initiative by placing the benefits of association directly at the service of individual initiative. The objective of Social Credit is to enable the individual to achieve the maximum differentiation possible.

In earlier times this objective to some extent implied the renunciation of certain material values, at least for the majority, because it implied a renunciation of the whole-time business of getting a living on anything but a relatively low standard. With the rise of modern power-production the necessity for this renunciation has diminished progressively until now, as we have seen, there is a material basis for an absolutely unprecedented freedom of individual initiative for an increasing majority of men.

On the other hand, it cannot be denied that such a freedom, coming suddenly, would in all probability prove disastrous. The possibility of such a freedom is conditioned not only by material facts, but by the adequate incarnation of metaphysical values. For Europe—for Western Civilisation—those values are embodied in Christianity. In Europe, Christianity is a prerequisite for Social Credit. And equally Social Credit is a necessity for Christianity. Social Credit is the policy necessary in the circumstances resulting from modern industrial productivity. To put the matter in a more general way, the specific character of Social Credit is the result of the specific character of the modern world; but the metaphysical pre-suppositions of Social Credit are those of the Tao. Just as Christianity is a specific differ-

entiation of the Tao on the theological plane, so Social Credit technique is a specific differentiation on the material plane.

The Tao is the transcendental Good. But there is also the transcendental Evil, with the same possibilities of incarnation. Evil is the system of false values—false, because their incarnation leads to practical evil. Or, Evil is the denial of spiritual values; but such a denial is, of course, a judgment on the metaphysical plane. The practical outcome of that judgment—its incarnation—is the deliberate emphasis on Materialism.

The specific character of the contemporary world, more particularly on the material plane, is to a large extent determined by this Materialism. The particular transformation of the world of the recent past into the world of the present is chiefly the outcome of practical Materialism, more particularly of Technology which has its origin in modern Science. That science, as we have seen, excluded all considerations except those of a material order—a perfectly legitimate procedure so long as the exclusion was not of a metaphysical character, so long as it did not involve a metaphysical judgment. But such a judgment was increasingly made, and the *making* of the judgment, being of a metaphysical order—the *denial* of spiritual values—resulted in metaphysical consequences. To the extent that the modern world incarnates metaphysical Materialism, it incarnates Evil. It is not surprising that hitherto agnostic observers have been increasingly impressed with the reality of Evil, with a consequent deduction of the existence of transcendental Good (cf. C. E. M. Joad: *God and Evil*).

This character of the contemporary world inevitably involves a change in the application of Social Credit policy. The world is retreating from Christianity, and correspondingly Social Credit strategy is retreating from the most highly differentiated form of that policy. It is retreating from specific technique, back to considerations of a more purely political character based on the dichotomy of Good and Evil.

The retreat of the world from Christian civilisation is going back to an incident in the life of Christ. Metaphysical values must have personal exponents to be effective in this world: the conflict of values finds its expression in the conflict of men. Christ found it necessary to drive the money-changers from the Temple, and that is precisely the contemporary necessity; it is also the immediate aspect of Social Credit policy.

Those who are interested can derive an immense insight into the immediate and metaphysical character of the present situation from the modern fairy-tale, *That Hideous Strength*, by C. S. Lewis. Mr. Lewis symbolises the contemporary conflict in its metaphysical and its concrete-personal phases. It is significant that he links his exponents of modern scientific materialism with that earlier group which encompassed the crucifixion of Christ.

The ultimate meaning of Social Credit, then, is inseparably connected with the ultimate meaning of the conflict of Good and Evil. It derives from metaphysical Reality, and issues in the effective policies of this world. Social Credit is a special case of that more general Credit, that Faith which is "the substance of things hoped for, the evidence of things not seen."

THIS "AMERICAN" BUSINESS—

(continued from page 1.)

being inside a circle, you can get to a given point on the circumference quicker than if you are outside.

In August, 1914, Germany confidently relied on this factor to smash France, and Great Britain's Expeditionary Force, to a time-table which would enable her to detach her Western Army to deal with the formidable force of Russia on her Eastern Front. When Von Kluck swung right at the Marne, Germany's major strategy collapsed. It was impossible for her to release sufficient men to face a Russian Army of even half the number of men of whom Russia disposed. What really happened in Russia will probably never be fully known. She was most certainly not beaten by German arms. Tannenberg was a massacre, not a battle.

What we do know is

- (a) That Mr. Walter Hines Page, American Ambassador in London, cabled to President Wilson at the outbreak of War "The British Empire is delivered into our hands," which it certainly would not have been if Germany had been defeated in six months.
- (b) That the German Embassy in the United States banked with Kuhn, Loeb & Co., of New York, and that Kuhn, Loeb did everything in their power to secure the success of Germany by the disruption of Russia. We have Jacob Schiff's own authority for this. We know that Germany quite naturally collaborated in Schiff's plans.
- (c) We have the authority of Sir Cecil Spring-Rice, British Ambassador to Washington, for the belief that President Wilson, during 1914-15-16 was almost completely controlled by Kuhn, Loeb, (*i.e.*, the Schiffs and Warburgs). Unfortunately, Sir Cecil Spring-Rice died suddenly on his way to England to report further on the matter.
- (d) We know that Great Britain and France poured munitions and equipment into Russia, none of which was allowed to reach the Armies, and that the scandal became so flagrant that Lord Kitchener and a specialist staff were deputed to go to Russia to endeavour to straighten matters out, and that the "Hampshire" on which this Mission travelled, was sunk under highly suspicious circumstances.
- (e) We know that as a result of all this, Germany was relieved of the war on two fronts, not by force of arms, but by treachery and the "Dark Forces," a condition of affairs curiously similar to the collapse of Belgium and France in the present war. Germany then began what was, in effect, a new war, which cost millions of French and British lives.
- (f) We know that, when Britain, France, and Germany, now balanced so that a quick and decisive victory was impossible, had fought themselves to a standstill, certain terms, by which *inter alia* Great Britain alone underwrote the cost of the war *in gold* and, we strongly suspect, mortgaged control of the so-called Bank of England as security for a payment which never could be made, and which the United States Government knew could never be made, were agreed, and the United States entered, and won the

war with comparatively negligible loss, Kuhn, Loeb co-operating. The Balfour Declaration on the Jewish Home produced the well-known American "wise crack": "We mayn't be a Monarchy, but we made Balfour an Earl, anyway."

- (g) We know that the Warburg family was represented at the Peace Conference both on the side of Germany and on the side of her military opponents.
- (h) We know that the only sane method (*i.e.*, method of war-avoidance) of dealing with Germany at the Peace Conference was to insist that the artificial Bismarckian Reich should be broken up, and that Germany should revert to the largely independent states of which she is naturally and culturally composed. But that the whole weight of the United States was thrown against this policy, and the League of Nations, the misbegotten child of Jewish centralisation, was foisted on an unwilling and exhausted Europe, disowned by its progenitors, and left to be a convenient centre for financial and political intrigue.
- (i) We know that, in association with the "Bank of England," British policy has been dragged at the tail of Wall and Pine Streets since 1917 with catastrophic results. Every attempt at rational reform, or even normal progress, has been blocked by reactionary Finance. The attempted return to the Gold Standard in 1925 under transatlantic pressure, was one instance, and the cool transfer of a loss of £42,000,000, advanced by the "Bank of England" to the Credit Anstalt *et al.*, to the Exchange Equalisation Account (*i.e.*, the British taxpayer) was another. The grinding and unnecessary taxation on a scale unequalled outside Great Britain is another.

Had we been allowed to use the artificial depression of 1928-33 to build up our air strength, there would have been no war.

- (j) We have fairly good authority for the statement that Hitler was financed both from the United States and the "Bank of England" because he attacked "Reparations," *i.e.*, payments to France and England on Public Account; and thus made possible the payment to Kuhn, Loeb & Co. of the very large post-war loans they had made both to Germany and German industrialists.
- (k) We know that Russia, having been reduced to scrap value, has been "reconstructed" (and how!) largely to the advantage of the German-American-Jew interests which caused her wreck.
- (l) We noticed the storm of abuse which swept the Press of the United States when, in September, 1938, it appeared barely possible that another Great War might be averted, the speeches of United States Senators, such as Senator Pittman, exhorting us that it was better to die than to live disgraced, and we have not failed to remark the assumption that the British Islands and their population don't really matter very much if the British Fleet is available to protect the American Atlantic seaboard, and so forth. We don't attach undue importance to these things but we observe them, meditatively.

Now I feel sure Mr. Hyatt will agree that there is a repetitive pattern running through the necessarily sketchy picture I have endeavoured to draw in answer to his letter. And I hasten to assure him once again that I don't imagine he, or Americans like him, are engaged in schemes of international exploitation. Nor do I suggest for one moment that the United States has a monopoly of crooks. On the contrary, we have a very flourishing Branch Office over here, many of whom, like his local brand, profess the most exalted principles.

What I am suggesting, with all the seriousness of which I am capable, is that the artless assumption that all the virtues reside in the Government of the United States for the time being, and that European Governments are something quite different, simply will not do. On the whole all Governments are rather worse in 1940 than they were in 1914, because they have become more powerful tools of "interests," and so far as Governments go there is absolutely no ground for assuming that there is any deviation from the pattern to which I have referred, or that the chaos of the twenty years armistice would deter the "interests" from preparing the ground for more disasters.

As Mr. Chamberlain, who is so unpopular in Washington, has said, "We are fighting evil things." These evil things would be comparatively powerless if people like Mr. Hyatt and myself were not organised into increasingly powerful masses capable of being used for purposes of which we disapprove.

Let there be no misapprehension about it. We, in Great Britain, intend to win this war, which in my opinion, has been thrust upon us, and we shall be really and truly grateful for assistance to that end. But I think that I am speaking for all but an infinitesimal minority of the population when I say that we would rather go down fighting than "win" and have the terms of "Peace" imposed by Agencies, acting through Governments, which plotted the war in order to impose them, alike on the "Victors" and the Vanquished. Therefore, we intend to win the Peace, also, this time.

THE FIG TREE

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